

Looking BTMC Through World Bank Mirror

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Abstract: The shift of state policy toward market economy after the political change of 1975 coupled with rampant corruption, inefficiency and mismanagement led to the foundation of privatization beginning in 1977. During last 22 years 51 textile mills had been privatized. Now BTMC has been continuing its control over 35 largest textile mills of the country and incurring loss and more loss. The commercial banks were unwilling to grant further loans to BTMC as its unpaid accumulated loan stood at Tk.254.88 crores on 31 March, 1997. The government also gave loans of Tk.452.40 crores. But inspite of that BTMC's financial crisis rose to the climax in 1997. The World Bank prescribed different sets of recommendations to salvage the drowning BTMC mills and to circulate blood in the textiles sector of Bangladesh. But those are also going to flop. What panacea would help resurrect it from inevitable degeneration is to invent now.

As would be expected, the basic goal of all development plans in Bangladesh is an attempt at sustainable development through poverty alleviation programmes having first priority. How can poverty be reduced? The simple answer is- by generating more productive jobs and investments in human development. The means of getting there is, however, not so simple. The biggest problems would appear to be low employment and low labour productivity, or inversely, the high underemployment and low growth rate ranging around 43% and 02% respectively. It is a vicious impediment. Within these macro-economic frameworks, the textile sector had the potential to be a catalyst and a trigger factor for a phenomenal transformation and metamorphosis in Bangladesh economy. With a population of 120 million, in an area of 147,000sq. km, Bangladesh was ideally poised for a thrust in the development of the textile industry. The government of Bangladesh also declared textile a "Thrust Sector" in 1992, but so much for. It is true that presently textile sector contributes about 65% of total export earnings of the country and accounts

for 35 lac or 45% of the total industrial employment. About 05% of GDP originate and nearly 45% of manufacturing value added also comes from textiles. But all these positive signs are depicted by the contribution of export-oriented Ready-Made Garments (RMG) and private sector textile mills. There were 68 spinning, 15 rotor and 1126 weaving mills in the country with an installed capacity of 1390000 spindles, 37200 rotor heads and 4027 looms with a production capacity of 29383000 kgs. yarn and 19481000 meters of fabrics respectively by the end of 1995. The RMG industry first appearing in 1997-98 with 9 enterprises having an annual capacity of 8.01 million pieces and export earning of TK. 1.019 million, made most spectacular growth of 1830 enterprises with an annual production capacity of 1198 million pieces and export earnings of TK 90.399 million (US\$ 2.23 billion) in 1994-95. But our present study will concentrate only on public sector textile mills run under the supervision and control of BTMC.

2. History of Textile Industry and BTMC : Textile sector has as many as 36 product-centers and the industry comprises at least four major processes representing four sub-sectors; namely: - Spinning, Weaving, Dyeing & Finishing and Ready Made Garments (RMG). The balanced development of all the sub-sectors is a pre-requisite for healthy growth of the industry as a whole. But the analysis of last 45 years commencing from 1947 (as shown in Table-1) reveals an unbalanced growth of the four sub-sectors, having been almost no growth in weaving and dyeing – finishing sub-sectors whereas considerable growth took place in spinning sub-sector. RMG sub-sectors experienced a delayed but very fast mushroom growth.

**Table -1: Growth of Different Sub-Sector of Textile Industry
(1947-92)**

Sub-Sector	1947	1970	1972	1982	1992
1. Spinning					
a. Mills	9	45	51	59	113
b. Spindle	110	750	830	1094	2124
2. Weaving					
a. Mills	9	25	25	25	26
Looms	2717	7000	7000	7000	7179
b. Specialized Textile & Power loom					
i) Units	-	-	36	136	1114
ii) Looms	-	-	820	2351	29406
c. Handloom Units Looms	240	296	304	389	514
d. Knitting Hosiery Units					
i) Export Oriented	-	-	-	1	195
ii) Local	105	140	141	281	335
e. Silk					
i) Factory	-	-	-	2	29
ii) Loom	-	-	-	80	580
iii) Silk Loom	-	-	-	3400	9289
3. Dyeing & Finishing					
i) Mechanized Units		7	7	22	94
ii) Semi-Mechanized Units		-	-	119	203
4. RMG Units				74	1481

Source : MIS Report , TSMU, M/O Textiles

Bangladesh Textile Mills Corporation (BTMC) was created in 1972 and initially 72 state owned enterprises (SOE) were put under it. Subsequently two more taken over mills were placed and 12 new mills were established under the supervision and control of BTMC. But after 1975 the government policy was changed. Then during 1977-82 government withdrew capital

from 03 mills handed over ownership of 05 specialised mills to its former owners or shareholders, sold out assets and properties of 03 mills through liquidation process and entity of 03 mills were deleted from the schedule as on tangible property was found anywhere within the country (annex-1). Thereafter 30 mills were divested during the period from 1983-87 (annex-2). Moreover, Sharmin Textile Mills (15-12-94), Madaripur Textile Mills* (15-12-94), Kishoregong Textile Mills* (29-12-94), Kohinur Spinning Mills* (15-2-95), Zofine Fabrics Ltd. (22-2-95), Barisal Textile Mills* (28-5-95) and Royal Textile Mills (24-11-97) have been privatized in the dates shown against each of them.

Now BTMC has 35 mills (annex-3) under it amongst which only spinning section of 19 are running and rest 16 are laid off. All the mills under BTMC were running on loss for a long and the quantum of loss have been increasing year after year as shown in Table-2.

Table-2 : Productipn and Finacial Performance of BTMC

Description	1990-91	1991-92	1992-93	1993-94	1994-95	1995-96	1996-97
1. production							
a. Yarn	42.5	42.2	34.006	17.088	17.003	14.903	6.790
Million kg							
b. Cloth	47.4	47.8	33.765	14.139	5.170	3.101	0.840
Million Mtr							
2. Sales Revenue	4,655.9	3,179.3	3,189.6	2,361.7	2,379.6	1,700.0	975.0
Million Tk							
2. Cost of Sales	4,977.1	3,264.8	4,053.4	3,494.8	3,202.2	2,754.0	2,236.0
Million Tk							
3. Operating profit/(Loss)	(321.2)	(85.5)	(863.8)	(1,133.1)	(822.6)	(1,054.0)	(1,261.0)
Million Tk							
5. Net profit/ (Loss)	(583.9)	(434.2)	(1,354.7)	(1,538.7)	(1,192.0)	(1,355.1)	(1,632.8)
Million Tk							

Source: BTMC/TSMU, M/O Textiles.

Loans with NCBs rose to Tk. 254.88 crores on 31 March 1997 and the banks were unwilling to grant further loans since BTMC was paying neither principal nor the interest. The government has given loan advance of Tk. 452.40 crores. The government has also given entire amount to implement reduction of over staffing burden and DSL on long term loan. In spite of all those financial help BTMC was quite unable to stand by its own foot.

3 **The World Bank Prescriptions :** The World Bank had made five sets of recommendations to salvage the drowning textile industry of Bangladesh. The prescriptions are-

(A) *Organization Aspects*

- ☐ Eliminate Ministry of Textile
- ☐ Downsize BTMC
- ☐ Increase Autonomy
- ☐ Close-down non-viable mills
- ☐ Privatize all mills within three years
- ☐ Experiment with management contracts, monetary incentives in some mills
- ☐ Examine employees stock ownership programmes (ESOP)
- ☐ Privatize BTMC's sales and display centres
- ☐ Downsize Handloom, Cotton and Sericulture Boards
- ☐ Disseminate information about GOB's privatisation efforts
- ☐ Wage policy out of political arena
- ☐ Rationalize wage-price relationships
- ☐ In overstaffed mills, implement wage freeze, install "Golden Handshake" coupled with re-training programmes.

(B) *Production and Technology Aspects*

- ☐ Improve quality of yarn/fabric production

- ❑ Piecemeal investment, BMR are unproductive, go for new mills with new equipment, use existing buildings of some modern mills.
- ❑ Use back-up generation in mills
- ❑ Train workers to expand skills
- ❑ Improve, expand textile finishing units
- ❑ Study impact of dyeing/printing on environment.

(C) Markets and Linkages

- ❑ Mills should not be considered units. They should be considered as sales and profit centers.
- ❑ Production should be determined by geared to demand
- ❑ Prices should be determined by market forces
- ❑ Develop ties with foreign buyers of fabrics
- ❑ Improve market analysis domestically and internationally
- ❑ Create fabric banks geared to market demand
- ❑ Improve marketing training through technical assistance
- ❑ Most important move- increase competitiveness, price, quality of fabrics through consistent available of yarn
- ❑ Establish liaison councils between RMG and the textile mills to foster cooperation
- ❑ Change inward-looking to export-oriented attitudes
- ❑ Create lines of credit duty free status and bonded warehouse facilities to encourage and facilitate exports

(D) Financial Issue

- ❑ Mill-by-Mill restructuring to determine their financial condition and the most appropriate options. This individualized process should lead towards privatization.
- ❑ If analysis indicates that a mil has no chance of viability, shut it down and liquidate land, facilities and equipment.

- ❑ Restructuring should not only be done for public sector mills, but also for private sector mills.
- ❑ International donors should provide financial assistance and technical assistance.
- ❑ Rationalize this sub-sectors debt burden by looking at options such as:-
 - a) Converting debt to equity
 - b) Converting to interest-free of soft loans.
- ❑ Write-offs
- ❑ Design a "conditional debt forgiveness programme [CDFP] that writes-off the non-sustainable portion of the debt.

(E) Assistance Policies

- ❑ Design/implement an integrated set of policies to create climate including private sector development
- ❑ Identify and remove procedural, regulatory bottlenecks
- ❑ Further liberalise trade policy
- ❑ Aim at a flat rate of tariff on fibres 15% eventually. Reduce protection
- ❑ Introduce a well-devised system of duty drawbacks at flat rates for textile products, which should incorporate duty on capital items
- ❑ Liberally provide bonded-Warehouse facilities
- ❑ Unless duty drawback system covers capital items, allow:
 - a) Provisional duty-free imports of spare parts to intending exporters
 - b) Duty-free imports of capital machinery.

4. **Anecdotes of the Prescriptions :** Banking on only the stimulating pills, as can be picked from the prescription

package, BTMC started to exploit the government for funds in all respect including salaries/wages of the employees. At one point BTMC started to persuade to gain over a big-push in which Tk. 157.54 crore interest-free loan on working capital head was sought for and perjured that it would never come back to the government for any sort of finance. Let's have an acid test of BTMC's most prospective proposal in the World Bank laboratory (prescriptions):

(A) Organizational Aspects :

Most of the recommendations under this head have been exercised in some form or other under sincere and serious efforts of the Ministry of Textiles elimination of which could rather rouse retarding forces to impede progress. The Ministry tried its best to downsize BTMC ensuring funding for golden handshake and changing organogram on the light of Nurannabi Committee report which has provision of drastic cut of manpower. All the more losing mills, comparatively more losing weaving section of all the mills and almost the display centres have been closed down and now only spinning section of 19 mills are running. The in house analysis entailed running BRMC with not more than 09 mills which have a bleak possibility of running on or above break-even. All the rest of the mills would be sold out today or tomorrow. A list of 16 mills is laying with the privatization board since its inception in 1993. The Ministry of Textile reminded time and again to expedite sale.

Privatization board itself has been strengthened reconstituting it with politico-business elites of the country headed by a Minister of State and publicizing arguments in favour of privatization wide open through news papers, seminars, symposiums, etc. In spite of that PB could not sale even a second mill during last six years proving the recommendation of privatizing all the mills within three years altogether a utopian thought although. Wage

policy out of political intervention is not practicable at the context prevailing therein but nevertheless wage rate is infact not higher than the rationale. However, wage-price relationship could not be established mainly due to inefficient man-machine phenomena. BRMC is undergoing experiment of contract-out business method initially under its own management. The government have accepted the recommendation of a high powered committee, constituted under the chairmanship of Finance Minister that the Employees stock Ownership Programmes (ESOP), far more liberal than that of USA, will be undertaken to hasten fruitful privatization. The programme is like that the workers and staff of a saleable SOE will form a company to which government owned shares will be transferred free of cost and encumbrances, 1.½% stamp duty payable on transfer document will be exonerated by executive order of the government, company has to take the responsibly to pay long-term loan (if any) but in such case sufficient repayment time will be given and exoneration of penal interest on it will be considered in case it is inputted before transfer of the ownership. The workers will be given all financial benefits by the government like that of a worker going on volunteer retirement under golden handshake programme and that will from initial capital of the company. Moreover, they will be entitled to bank loan, issue of new shares, etc.

BTMC was given full autonomy of running business affairs of the corporation itself and it was also forced to extend maximum possible autonomy to the individual mills to run their business independently during 1995-97. But the result was quite negative. For example all the mills were allowed to purchase raw materials and sale yarn and fabrics at their own. But not a single mill could improve sales position. A very handful of mills could arrange purchase of raw cotton among which Sunderban Textile Mills, the latest and most prospective among the BTMC's lot, did it under rampant corruption which resulted suspension of 14

employees including Chief executive (GM) and labour leaders. Ultimately the GM lost his job but at the cost of the mill, the mill lost its prospect forever as it was hardly possible to overcome the financial stroke occurred due to that corrupt purchase of raw cotton. Hence, the recommendation to increase autonomy in excess of what it deserves is nothing more than a misdemeanour.

(B) Production and Technology Aspects :

It is well accepted that improvement of product quality has nothing to controverse. But how that could be done? True that quality ray material can improve quality a lot. But now without modern machinery/technology and skilled manpower only raw material would not materials the dream. The table 1 & 3 below will show the machine condition to understand how much and how far quality and quantity are expected from BTMC, BMRE of the existing mills, as was understood from a study of the Ministry of Textile in 1995, might require Tk. 5250 million (Tk. 3150 million for 45 spinning mills, 600 million for 6883 loons of 24 weaving mills and 1500 million for 75 mechanized dyeing & printing units).

There is no denying that BMRE is unproductive for BTMC machineries. At the same time going for new mills and new equipments would require so much money which the BTMC would neither manage itself nor the government should provide finance on this stage of out privatization. Technology-knowing stubborn personnel are leaving BTMC but worn-out stabbles are not. Private dyeing/printing/finishing units are making good profit whereas BTMC's have an opposite picture. Moreover, to meet the demand gap shown in Table-4 and estimated investment of Tk. 101, 089 million by the year 2000 and Tk. 205,920 million by the year 2005 would be required as has projected in Table-5 But how Bangladesh could get so much money?

Table-3: Capacity Profile

Sl. No.	Name of Mills	Installed Capacity		Monthly Average Capacity Utilized (last 5 months)		Highest Capacity be utilized with normal minor repairs		Highest Capacity could be utilized by BRMR		Capacity Utilization %	
		Spindles	Looms	Spindles	Looms	Spindles	Looms	Spindles	Looms		
1	Amin Textile-1	18,400		1,217		16,076		16,500		87%	91%
										94%	
	Amin Textile-2	25,088		5,815		23,500		23,500			
2	Bengal Textile-1	17,296		3,225		16,085		16,085		93%	92%
	Bengal Textile-2	25,088		6,750		22,828				91%	
3	Dost Textile	20,000		3,502		18,200				91%	91%
4	Danwani Textile	25,056		5,312		22,550		22,550		90%	90%
5	Dinajpur Textile	25,056		4,999		22,550		26,870		90%	90%
6	Rajshahi Textile	25,056		362		20,045		20,045		80%	80%
7	Rangamati Textile	18,576		5,447		17,280		17,280		93	93%
8	Sundarban Textile - I	24,960		4,372		22,464				90%	90%
	Nilkamal-2	14,400		4,337		12,960				90%	

Table-3: Capacity Profile (Contd.)

Sl. No.	Name of Mills	Installed Capacity		Monthly Average Capacity Utilized (last 5 months)		Highest Capacity be utilized with normal minor repairs		Highest Capacity could be utilized by BRMR		Capacity Utilization %	
		Spindles	Looms	Spindles	Looms	Spindles	Looms	Spindles	Looms		
9	Vilika Woollen - spg.	3,200	40	482	10	1,310				41%	41%
10	Ahmed Bawani	33,116		2,571		29,804				90%	90%
11	Chisty Textile	18,384		1,167		16,545		16,546		90%	90%
12	Kohil Textile	17,728		1,503		15,000		15,000		85%	85%
13	Orient Textile	13,624		3,745		11,216		12,824		82%	82%
14	Quaderia Textile	16,824		3,680		16,824				100%	100%
15	R.R Textile	31,400	250	3,395	26	28,260	148	28,260		90%	90%
16	Tangail Cotton	26,153		4,364		23,802				91%	91%
17	Sylhet Textile	25,065		3,276		23,553				94%	94%
18	Magura Textile	25,056		1,082		22,500				90%	94%
19	Kurigram Textile	12,528		1,930		11,029				88%	44%
	Total	462,045	290	12,533	36	414,331	148	215,460			

Table-4: Demand and Local Production of Yarn

Year	Total Demand	Production (in million kg.)					Local Production as % of Total Demand
		Public Sector Mills	%	Private Sector mills	%	Total	
1990-91	248	42.50	48.5%	45.10	51.5%	87.60	35.3%
1991-92	288	42.20	41.4%	59.80	58.6%	102.00	35.4%
1992-93	330	34.01	42.5%	45.99	57.5%	80.00	24.2%
1993-94	368	17.09	27.0%	46.11	73.0%	63.20	17.2%
1994-95	467	17.00	17.6%	79.50	82.4%	96.50	20.7%
1995-96	503	14.90	13.2%	98.10	86.8%	113.00	22.5%
1996-97	542	06.88	05.9%	109.92	94.1%	116.8	21.5%

Table-5: Estimated Investment Requirement in Major Textile Sub-Sectors.

Sub-sector	2000		2005	
	Units	Investment	Units (Miln. Tk.)	Investment (Miln. Tk.)
Spinning	146	58,400	389	155,600
Weaving	109	21,800	194	38,800
Dyeing & Finishing	199	19,400	388	10,800
RMG	1647	989	1200	1,720
Total		101,089		205,920

Assumption: (a) Annual production capacity of one spinning mills of 25.0 Spindles will be 3.0 million kg. investment cost of Tk. 400 million. (b) Annual production capacity of 300 shuttle or 120 shuttles weaving unit will be 10.0 million meters with investment cost of Tk. 200 million. (c) Annual production capacity of dyeing & finishing unit will be 10.0million metres with investment cost of Tk.100 million. (d) Annual production capacity of an RMG unit will be of 0.675 million metres/0.450 million pieces with investment cost of Tk.100 million.

Source: TSMU/ministry of Textiles

(C) Market and Linkages :

These recommendations are important for textile sector as a whole, specially recently built up export oriented textile mills and RMGs but none of them is at all applicable to BTMC mills because of the fact that both yarn and cloths produced in BTMC mills are sold in values much lower than of production cost and even then finished products go down in becoming fat and more fat day by day.

The table-4 above will show that in years 1990-91 to 1996-97 local production of yarn could meet 17.2% to 35.4% of the demand, rest are met either by import or by smuggling from neighboring countries but yarns produced by BTMC mills could not be sold without push and some sort of dumping under compulsion. A study of 27 best BTMC mills and 90 private mills showed that before 1970 all the (BTMC 22 + Private 23) = 45 mills would produce very low quality yarn; in 1972-83 all the (3 + 27) = 30 mills would produce low quality yarn, in 1983-90 all the (2+11)=13 mills would produce yarn suitable for local requirement but not exportable, 1990-91 only 08 mills in private sector started to produce export quality yarn and number of such private mills increased to 21 in 1991-95. No. BTMC mills even could produce a single mil.gm/mil.mtr. Yarn/fabric which stand equal to international standard. Bangladesh always advocates for its chief labour which even cannot stand competitive because of inefficiency. The world bank report (1995) p 12) shows that unit labour cost per kg. Yarn in Bangladesh is \$ 0.46 whereas it is \$ 0.19, 0.15 and 0.53 respectively in neighboring Srilanka, India and Pakistan respectively. Their productivity kg/worker is 3175 and 2299 compared to only 1699 in Bangladesh. In the year 1995 cost of labour per kg yarn and per mtr. cloth in BTMC mills was Tk. 30 and 27.81 compared to Tk. 11.51 and Tk.2.32 respectively in the private sector mills. So no policy could heal BTMC's headache in respect of marketing its products.

(D) Financial Issue :

Let's study financial position of BTMC's 19 running mills. What we see? The mills in the FY 1994-95, 1995-96 and 1996-97 produced yarn 140.15, 123.19 and 58.87 lac kgs; sold out 118.39 and 43.85 lac kgs. respectively and incurred losses of Tk. 51.33 Tk. 77.13 and Tk. 106.09 crores respectively; cumulative loss being Tk. 314.14 crores and shortage of working capital was Tk. 204.70 crores as per balance sheet dated 31.03.97 . The attainable programme analysis in table-6 shows that 11 mills have their break-even point on or below 100%, rest 08 mills being above 100% demand immediate closure. Table-7 reveals that 19 mills have got Tk. 227.70 crores long term loans, Tk. 25.49 crores short-term loans and Tk. 26.34 crores accrued yearly interest on loans having caused high capital cost. Total current assets, current liabilities and net working capital shortage of the 19 mills are Tk. 116.10, Tk. 320.80 and Tk. 204.70 crores respectively which indicates acute liquidity crisis of the mills. Now if wiring capital needs are worked out on the assumption that (a) work-in-process is one kg/spindle, (b) sales time- one month, (c) raw materials stock - 04 months, (d) stores & spares - 03 months production demand, (e) other costs for one month, (f) all transaction will made on cash payment and (g) highest established machine -capacity will be utilized; which has been done in Table-8 knowing fully well that in reality these are neither practicable nor attainable. But if that were not done the mercury would exceed the range of barometer and we could not further.

However, it is revealed from table-8 that capital requirement to keep 19 mills running is Tk. 137.28 crores and for 11 mills having break-even on or below 100% is Tk. 87.19 crores. It is further found that if working capital is supplied at the prevailing 14% rates the yearly interest on 11 viable mills will stand Tk. 12.21 crores and if this capital cost is added break even point of those 11 mills rise

to 89%, 88%, 93%, 92%, 105%, 110%, 77%, 83%, 136% and 136% respectively. Now 04 more mills will be proved non-viable on financial point. After that if this figures are compared with table-3 (capacity profile) it will be seen that Dost Textile, Darwani Textile, Valika Woolen and Orient Textile have break even at 93%, 92%, 77% and 90% respectively, but as machine condition of those mills cannot allow them to run above 91%, 90%, 41% and 82% respectively, these four mills cannot be viable on technical view point. Rest 03 mills only are found viable, which makes, a Corporation like BTMC itself no-viable. Hence, question of financial assistance like that of converting debt into equity, managing interest-free soft loan and write-off or debt; all these will be futile exercise for

BTMC mills and will only increase financial burden to the poverty ridden illclad tax payers of the country. Financial experts would suggest that, liquidation or privatization will be the best possible solution and since privatization is not a easy task, rather would take longer time, it will be better to shut down or lay-off just now all the BTMC mills, but only 03 awaiting privatization. But how far it will be practicable on social context?

(E) Assistance Policies :

All these policies have been designed and implemented in Bangladesh including trade liberalization, reduction or even elimination of tariff on raw materials, chemicals, accessories, machineries, etc. bonded-warehouse and duty drawback systems have also been introduced extensively specially for RMG sectors. Privet sector growth has also been incorporated to the priority aspect in the Textile Policy' 95. However, none of them except that of identifying and removing procedural, regulatory bottlenecks are applicable to public sector textile, i.e. BTMC. And as these policies and tasks are not very much related to our present topic of study we should not waste time in discussion much about it.

Table-6: Attainable Programme to run the Mills Under BTMC Atbreak Even profit as on 31-05-97

Name of Mills	Annual Production Capacity	Prod Target	Variable cost	Fixed Cost	Total unit cost (Taka)	Total Fixed (lac Tk.)	Total cost (fixed) & variable)	Sales Proceed			Profit/ (loss)	Contri bution Margin	Break even Point (Qty)s	% of Break point of capacity
								Per unit	Total Lac Tk.	in				
1	2	3	4	5	6	7	8	9	10	11	12	13	14%	
1 Amin Textile-1	12.85	11.70	81.11	32.88	113.99	384.70	133.68	130.34	1524.98	191.30	49.23	7.81	61%	
Amin Textile-2	22.86	21.72	76.68	35.49	112.17	770.84	2436.33	116.30	2626.04	89.70	39.62	19.46	85%	
2 Bengal Textile-1	14.75	12.91	93.78	40.16	133.94	518.47	1729.17	131.79	1701.41	(27.76)	38.01	13.64	92%	
Bengal Textile-2	22.86	18.34	87.05	40.10	127.15	735.43	2331.93	127.62	2340.55	(125.26)	40.57	18.13	79%	
3 Dost Textile	17.89	16.28	89.41	33.59	123.00	546.85	2002.44	123.48	2010.25	7.81	34.07	16.05	90%	
4 Darwani Textile	20.46	18.79	81.61	27.80	109.41	522.36	2055.81	114.24	2146.57	90.76	32.63	16.01	78%	
5 Dinajpur Textile	17.93	15.96	84.20	32.58	116.78	519.98	1863.81	116.78	1863.81	0.00	32.58	15.96	89%	
6 Rajshahi Textile	17.58	15.96	75.18	30.54	105.72	487.42	1687.29	103.30	1696.55	9.26	31.12	15.66	89%	
7 Rangaman Textile	14.64	13.00	92.11	43.22	135.33	561.86	1759.29	128.70	1673.10	(86.19)	36.59	15.36	105%	
8 Sundarban Textile -1	22.56	20.53	78.39	34.31	112.70	704.38	2313.73	117.87	2419.87	106.14	39.48	17.84	79%	
Nilkamal-2	16.40	14.76	82.36	32.07	114.43	473.35	1688.99	117.68	1736.96	47.97	35.32	13.40	82%	
9 Valika Woolen-Spg	1.07	0.86	268.96	84.58	353.54	72.74	304.04	412.38	354.65	50.60	143.42	0.51	47%	
Vilika Woolen-Wvg	1.01	0.66	151.71	83.49	235.20	55.10	155.23	198.03	130.70	(24.53)	16.32	1.19	118%	
10 Ahmed Bawani-Spg	22.38	20.14	81.41	29.23	110.64s	588.69	2228.29	93.56	1884.30	(343.99)	12.15	48.45	216%	
Ahmed Bawani-Wvg					132.62								130%	
11 Chisty Textile	12.56	10.68	100.63	31.99	127.64	341.65	1416.38	121.61	1298.79	(117.59)	20.98	16.28		
12 Kokil Textile	10.21	8.53	98.22	29.42	132.92	250.95	1088.77	121.64	1037.59	(51.18)	23.42	10.72	105%	
13 Orient Textile	10.94	9.44	103.99	28.93	132.26	273.10	1254.76	135.53	1279.40	24.64	31.54	8.66	79%	
14 Quadaria Textile	13.67	12.93	90.12	46.14	118.79	596.59	1761.84	125.37	1621.03	(140.81)	35.25	16.92	124%	
15 R R Textile-Spg	23.54	21.19	91.91	26.88	118.79	569.59	2517.16	109.10	2311.83	205.33	17.19	33.13	141%	
R R Textile-Wvg	29.15	17.20	14.02	8.86	22.88	152.39	393.54	19.80	340.56	(52.98)	5.78	26.37	90%	
16 Tangail Cotton	17.73	16.26	84.08	31.62	115.70	514.14	1881.28	113.73	1849.25	(32.03)	29.40	17.34	98%	
17 Sylhet Cotton	19.53	18.79	82.16	32.01	114.17	601.47	2145.25	116.56	2190.16	44.91	31.44	17.48	90%	
18 Magura Textile	18.56	16.70	89.75	45.52	135.27	760.18	2259.01	121.19	2023.87	(235.14)	35.95	24.18	130%	
19 Kurigram Textile	9.41	8.38	80.73	65.48	146.21	548.72	1225.24	116.68	977.78	(247.46)		15.26	162%	
Total	390.54	341.71	2259.57	926.89	3186.46	11550.96	39833.28	3136.28	38940.00	(1027.16)				

Source: Ministry of Textiles

Table -7: Mill-Wise Exis Ting Working Capital & Loan of 19 Mill, Under BTMC as on 31st March, 1997

Particulars	Amin-1	Amin-2	Bengla-1	Bengla-2	Dost	Darwani	Dinajpur	Rajshah ahi	Rangam ati	Sundar ban-1	Sundar ban-2	Valika Woolen
A Current Assets:												
1 Inventories	206.91	276.36	121.23	234.13	175.54	571.52	271.85	149.32	102.42	803.45	130.81	530.25
2 Debtors	1.67	-	0.99	16.72	-	-	6.19	5.91	0.10	65.18	-	69.65
3 Advance, Deposits & Pre-payment	511.41	32.25	32.60	31.54	67.88	18.19	26.47	13.06	20.69	222.23	3.59	163.73
4 Inter-mill Account	252.50	5.40	57.45	297.35	-	24.07	17.06	46.16	19.67	1707.84	213.55	9.22
5 BTMC Current Account	-	-	-	-	-	318.20	59.25	68.01	-	207.47	-	141.11
6 Cash & Bank Balance	0.13	0.06	3.87	0.93	0.81	1.45	2.98	1.97	0.39	2.04	3.64	66.70
Total Current Assets	972.62	314.07	216.14	580.57	244.23	833.43	383.80	284.43	143.27	3008.21	351.59	980.66
B Current Liabilities:												
1 Cash Credit/Bank OD	229.97	153.80	126.22	181.70	123.79	132.34	86.32	150.80	80.41	268.11	-	1.73
2 Creditors for Expenses	25.06	34.90	596.52	965.63	13.46	94.27	659.97	181.74	144.69	80.75	155.07	47.47
3 Taxes & Duties	517.09	0.36	-	-	3.66	55.43	0.04	-	-	-	-	101.03
4 Inter-mill Account	8.04	650.36	117.84	73.71	16.44	5.08	16.28	33.91	4.09	265.23	1292.19	5.59
5 BTMC Current Account	339.22	478.49	625.31	2737.06	91.01	-	115.81	288.53	982.47	-	79.38	428.79
6 Loan from Govt.	-	-	-	-	73.01	90.89	183.04	195.67	103.36	93.99	30.89	29.09
7 Liabilities for Other Finance	38.77	54.42	37.65	49.87	-	90.89	183.04	195.67	103.36	93.99	30.89	29.09
8 Other Deferred Liabilities	-	-	-	-	-	-	-	-	-	-	-	-
Total Current Liabilities	1158.15	1372.33	1503.54	4007.97	337.59	378.01	1061.46	979.58	1564.09	708.08	1557.53	613.70
Net Working Capital (A-B)	(185.53)	(1058.26)	(1287.40)	(3427.30)	(93.36)	555.42	(677.66)	(695.15)	(145.8)	2300.13	(1205.94)	366.96
C Long-term loan	134.16	2407.37	1381.52	306.26	931.20	98.41	418.94	811.26	495.30	-	-	58.95
Interest on CC@ 14%	32.1958	21.532	14.6708	25.438	17.3306	18.5276	12.0848	21.112	11.2574	37.5354	-	0.2422
Interest on L T Loan @ 10%	13.416	240.737	138.152	30.626	93.12	9.641	41.894	81.126	49.53	0	0	5.895
Total Interest	45.6118	262.269	155.8226	56.064	110.4506	26.1688	53.9788	102.238	60.7874	37.5354	0	6.1372

Cont. Table-7

Ahmed	Chisty	Kokil	Orient	Quaderia	R. R	Tangail	Sylhet	Magura	Kurigram	Grand Total
Bawani					Textile					
325.62	230.43	206.84	86.15	106.67	218.29	205.14	190.61	161.58	106.79	5413.91
93.38	13.97	0.33	0.30	1.73	0.84	0.65	0.96	-	0.06	278.63
119.58	76.58	37.26	6.30	169.14	192.79	70.73	22.70	34.97	37.07	1910.88
70.97	8.15	21.52	9.85	124.50	16.47	7.29	10.55	90.89	9.00	3019.46
-	-	-	-	-	-	-	-	-	-	794.04
38.33	0.55	18.23	18.82	5.48	4.95	17.69	0.81	2.69	0.12	192.64
647.98	329.68	284.18	121.42	407.52	433.34	301.50	225.63	292.13	153.04	11,609.5
163.15	98.90	137.34	33.18	61.34	187.60	103.67	84.01	64.20	80.24	2548.82
332.73	469.17	38.14	27.22	94.99	55.86	82.97	310.76	258.58	38.70	4708.65
27.71	46.90	-	5.53	169.36	179.00	84.17	-	-	0.24	1190.52
146.45	13.25	12.65	7.23	17.13	13.88	15.26	6.43	11.85	13.87	2746.76
1294.99	497.34	615.98	312.57	1287.70	495.57	1040.97	195.23	1228.10	359.05	13418.59
1002.64	253.97	446.95	337.38	386.00	621.31	612.93	153.22	200.41	140.33	4524.04
483.58	262.13	159.21	112.94	239.69	198.34	140.54	110.19	190.00	56.29	2242.91
3451.25	1641.36	1410.27	836.05	2156.39	1751.36	2080.53	860.19	1953.14	697.72	32080.29
(2803.27)	(1311.68)	(1126.09)	(714.63)	(1748.87)	(1318.02)	(1779.03)	(634.56)	(1661.01)	(544.68)	(20,470.75)
))								
1050.31	356.80	609.43	-	1535.92	991.57	1540.74	3458.20	3305.64	2880.81	22,77.79
22.841	13.846	19.2276	46452	8.5876	26.264	14.5138	11.7614	8.988	11.2336	358.83
105.031	35.68	60.943	0	153.592	99.157	154.074	345.82	330.564	288.081	2277.08
127.872	49.526	80.1706	4.6452	162.1796	125.421	168.5878	357.5814	339.552	299.3146	2633.91

5. Begotten Lessons: From time immemorial we had a glorious heritage of producing high reputed Muslin, Jamdani and Silk fabrics. Dream of bring back that glorious past must move our mind sometimes or other. It is also true that our glory have had robbed away by some countries which are now on the column of most developed countries and voluntarily left producing textiles manufacturing – it being job of less developed and developing countries. But we are lagging behind those less developed and developing countries like China, Honkong, Shingapore, Korea, Indonesia and even the neighboring Srilanka, India and Pakistan. Within the overall macroeconomic framework, Bangladesh has the potential to develop textiles sector. The GATT Agreement of 1994 will also increase the market access of textiles and clothing exports from Bangladesh in 2005. But by that time restricted quota facilities under MFA, GSP, etc. will be phased out; other fabric producing countries will increase their own RMG exports; as a result Bangladesh will have to compete with those countries not only to take advantage of the increased foreign market access but also at home market.

On the basis of the threadbare discussion made in pages, the best possible solution for strengthening textile sector of Bangladesh is to privatize all the public sector mills and to establish new mills in private sector having balanced backward linkages and most modern technologies. But none of them could be done overnight. Even just closure of BTMC mills could create social problems for the government, since many people working there might be jobless. So the government might think it wise to run the mills to buy some time for an opportune privatization which would minimize the apprehended labour problems. Public sector enterprises throughout the world could not give social benefits as was widely thought so during 1970s and early 1980s. It is also a fact that the World Bank Panacea did not fit well in most of the backward economies like Bangladesh. Rather indigenous peri-aps from local quack some times give good results. So we are to search out most appropriate herb form our neighborhood.

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Annex-1**Mills of which Capital was withdrawn**

1. Abbasi Thread Ltd. (09-5-77)
2. Eastern Textile Mills (Nov. 78)
3. Zaritex Ltd. (Nov.78)

Disinvested Specialized Mills

1. Ahmed Silk Mills Ltd. (4-2-77)
2. Dhaka Dyeing and Mtg. Co. Ltd. (8-1-77)
3. Metex Cotton Mills Ltd. (3.10.77)
4. Jess Blanket Mtg. Co. Ltd. (19-5-77)
5. Alauddin and Taiwa Textile Mills Ltd. (Feb.77)

Mills assets of which were sold under liquidation

1. Mohini Mills Ltd. (5-2-82)
2. Dhakeswari Cotton Mills-1 & 2 (5-2-82)
3. Adarsha Cotton Spinning and Weaving Mills Ltd. (5-2-82)

Mills found without any Tangible properly

1. Paruma Textile Mills Ltd.
2. Elahi Cotton Mills Ltd.
3. Rupali Nylon Ltd.

Total = 14

30 Mills disinvested through transfer of assets/shares:

1. Al-Haj Textile Mills Ltd. (12-12-82)
2. Asiatic Cotton Mills Ltd. (5-12-82)
3. Bogra Cotton Spinning Co. Ltd. (14-12-82)
4. Chand Textile Mills Ltd. (8-12-82)
5. Chittagong Textile Mills Ltd. (6-12-82)
6. Gawsia Cotton Spinning Mills Ltd. (16-12-82)
7. Halima Textile Mills Ltd. (14-12-82)
8. Ibrahim Cotton Mills Ltd. (30-11-82)

9. Jalil Textile Mills Ltd. (15-12-82)
10. Moslin Cotton Mills Ltd. (12-12-82)
11. Ashraf Textile Mills Ltd. (30-11-82)
12. Afsar Cotton Mills Ltd. (6-3-83)
13. Calico Cotton Mills Ltd. (28-2-83)
14. Goalundo Textile Mills Ltd. (3-4-83)
15. Habibur Rahman Textile Mills Ltd. (9-3-83)
16. Jaba Textile Mills Ltd. (5-12-83)
17. Kushtia Textile Mills Ltd. (6-3-83)
18. Moula Textile Mills Ltd. (5-1-83)
19. Mainamati Textile Mills Ltd. (2-12-82)
20. Quashem Cotton Mills Ltd. (1-2-83)
21. Raz Textile Mills Ltd. (13-2-83)
22. Serajganj Spinning & Cotton Mills Ltd. (30-11-82)
23. Pahartali Textile Mills Ltd. (26-5-84)
24. Eagle Star Textile Mills Ltd. (1-6-85)
25. Mohammadi Calendering & Printing (27-2-83)
26. Cotton Textile Crafts Ltd. (14-2-83)
27. N. H. Textile Mills Ltd. (26-11-84)
28. Rupali Noor Textile Mill Ltd. (13-2-83)
29. Tamizuddin Textile Mills Ltd. (19-1-83)
30. Rahman Textile Mills Ltd. (28-2-87)

35. Mills under BTMC

1. Amin Textile Mills Ltd. 1 & 2
2. Bengal Textile Mills Ltd. 1 & 2
3. Dost Textile Mills Ltd.
4. Darwani Textile Mills Ltd.*
5. Dinajpur Textile Mills Ltd.*
6. Rajshahi Textile Mills Ltd.*
7. Rangamati Textile Mills Ltd.*
8. Sunderban (& Nilkamal) Textile Mills Ltd.*

9. Vilika Woolln Mills Ltd. (spg. & Wvg.)
10. Ahmed Bawani Textile Mills Ltd. (spg. & Wvg.)
11. Chisty Textile Mills Ltd.
12. Kokil Textile Mills Ltd.
13. Orient Textile Mills Ltd.
14. Quaderia Textile Mills Ltd.
15. R.R. Textile Mills Ltd. (Spg. & Wvg.)
16. Tangail Textile Mills Ltd.
17. Sylhet Textile Mills Ltd.*
18. Magura Textile Mills Ltd.*
19. Kurigram Textile Mills Ltd. *
20. Chittaranjan Cotton Mills Ltd.
21. Luxmi Narayan Cotton Mills Ltd.
22. Pylon Industries Ltd.
23. Karilin Silk Mills Ltd.
24. Meghan Textile Mills Ltd.
25. Olympia Textile Mills Ltd.
26. Zeenat Textile Mills Ltd.
27. Satrang Textile Mill Ltd.
28. Monnoo Textile Mills Ltd.
29. Fine Cotton Textile Mills Ltd.
30. Engineering Industries Ltd.
31. Khulna Textile Mills Ltd.
32. Dhaka Cotton Mills Ltd.
33. Noakhali Textile Mills Ltd.
34. Bangladesh textile Mills Ltd.
35. National Cotton Mills Ltd.

* 12 Mills established by the BTMC